

Congressman Mike Pence appeared on *MSNBC* with Andrea Mitchell to discuss the TARP, bailouts, economic recovery and the climate change summit in Copenhagen:

TRANSCRIPT:

Andrea Mitchell: Republican Congressman and Congressional leader from Indiana, Mike Pence, joins us now. Also, the Chair of the House Republican Conference. Congressman, thanks so much.

Congressman Mike Pence: Thanks, Andrea

Mitchell: You're trying to get this vote today, but some would say since you don't have the votes it's a publicity stunt.

Rep. Pence: I don't think it's a publicity stunt at all. The Democrats, under the rubric of financial regulatory reform, are bringing a bill that will create a permanent bailout fund. About \$150 billion, for starters, in a whole new bureaucracy that's going to make permanent the bad idea of the Wall Street bailout a year ago. So, Republicans today are going to bring a motion to the floor right before this bill goes to final passage in about an hour and give every Member of Congress an opportunity not only to reject this new permanent bailout, but also to end TARP, the Wall Street bailout a year ago and to use all the savings in TARP for deficit reduction as that statute requires.

Mitchell: Let me just play devil's advocate here. Defenders of TARP would say that, in fact, Tim Geithner did a better job negotiating many of these deals, that it has paid back money in spades to the U.S. Treasury. And, in fact, it avoided a complete financial calamity. What is wrong, other than the fact that it is unpopular with the public, what is wrong with TARP?

Rep. Pence: I think what was wrong with it is that I really believe that it was fundamentally wrong for Congress to take \$700 billion in bad decisions on Wall Street and transfer that to main

street in the form of TARP. The plan initially, if you remember, Andrea, was that the TARP fund was going to be used to purchase these assets out of institutions. That was abandoned, I think, in about two weeks. They started using the money to partially nationalize banks. Many of the banks had given -

Mitchell: This all started under George W. Bush. I mean, this was Hank Paulson and George W. Bush.

Rep. Pence: That's right. And I strongly opposed the Wall Street bailout under a Republican administration and strongly oppose this permanent bailout coming to floor today under a Democratic administration. The American people are tired of bailouts and really know the freedom to succeed has to include the freedom to fail and we have to get away from this era of bailouts that began under the last administration. But again, the bill today would make it permanent, Andrea.

Mitchell: With all due respect, Congressman, I know it's a popular talking point and that there's huge American anger out there, but to say that TARP didn't prevent a financial calamity, the collapse of the banking system and the fact that it's brought more money into the federal treasury, you're concerned about the deficits, and you're a fiscal conservative. Many people honor you for that. Why don't you then like what this has done?

Rep. Pence: Well, look, from my standpoint, it was important that Congress act a year ago. And I thought we should have provided these lending institutions a hand up, not a handout. Republicans had an alternative that literally would have allowed for kind of an FDIC-style workout program, the likes of which we did back in the 1980s. There's been a lot of post-mortems on TARP. Certainly borrowing \$700 billion from future Americans and throwing a big chunk of it at the economy had a narcotic and calming effect on the financial sector, but there were just better choices and there were better choices for taxpayers. But you know, those were arguments in the rear view mirror. I opposed the leaders of my party and my president on that. Today the American people deserve to know that the Democrats, under the guise of financial regulatory reform, are bringing a bill that will create a permanent bailout fund that will be available. \$150 billion goes in it initially, to do the same thing for these Wall Street firms in the future. And I just don't think the American people want that to happen. We'll give every Member of Congress a chance to reject the new permanent bailout. While we're doing it, let's bring TARP to an end once and for all.

Mitchell: Isn't the fact that they're trying to use some of the bailout money, Congressman, for job creation? What about the unemployment problem? In Indiana, it's a huge issue, we've been focusing on it on NBC News and MSNBC on Elkhart, Indiana, which some would say was ground zero for unemployment.

Rep. Pence: Right. I was up in Elkhart, Indiana just a couple of weeks ago. They've had a little bit of improvement up there in Elkhart, Indiana. But let me tell you a little something, Andrea. In Elkhart, it's a very conservative area, traditional area, they know you don't pay off debt with debt. When TARP was passed, the law required that any unused funds, any returned funds would go straight to debt reduction. So even if they use some interesting budget slight of hand here, to use money that was unused or came back in on the TARP for anything other than deficit reduction is, at least, a betrayal of the commitment we made to the American people a year ago. If they do it directly, of course, it would be a violation of the law.

Mitchell: Let me ask you this. I know you have to run for a vote. Briefly, I want to ask you about the Copenhagen climate change summit. Ed Markey will be on the program and Sarah Palin has certainly weighed in against Al Gore on all of this. What do you come down on what the American delegation should be doing in Copenhagen next week?

Rep. Pence: Look, you don't negotiate a treaty before you declare war. I think it is inappropriate for representatives of this administration or the president to go to Copenhagen and negotiate any kind of an international agreement in the absence of a national consensus on global warming and climate change legislation here in the United States. I said that to the president in the Cabinet Room personally the day before yesterday. I told him, I said I don't think any American has any problem with you going to Copenhagen and advocating whatever it is you believe about global warming or climate change legislation, but given the fact that the cap and trade bill has a very uncertain future here in the Senate, given the dubious legal foundation of the EPA's recent decision, I really believe it is inappropriate for the president or this administration to enter into any binding agreement in Copenhagen in the absence of a national consensus or in the absence of outright Congressional action on this issue.

Mitchell: Mike Pence, I know you have to run to a vote. Thank you very much. We'll be tracking those House votes as they happen this hour. Thank you.

Rep. Pence: Thank you, Andrea.

